

Water & Sewer Update

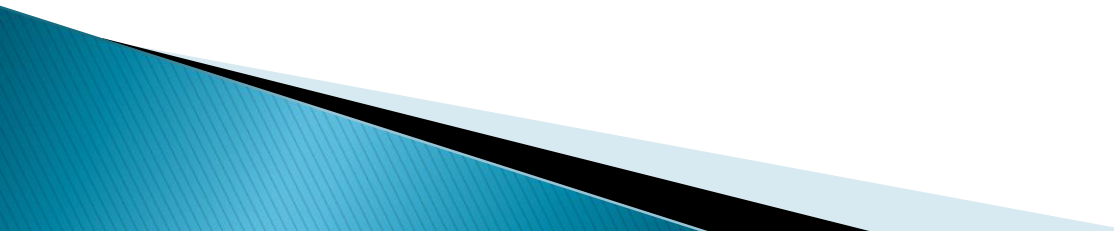
May 15, 2017

John DeLuca
Director of Water & Sewer



Mark Lawhorne
Field Operations Manager
Water & Sewer Department

Agenda

- ▶ 6:30 p.m.– 7 p.m.
Presentation followed by Q&A
 - ▶ 7 p.m.
Public Hearing accepting public testimony for the record. Please sign up to testify.
 - ▶ Following Hearing
Additional Q&A will be offered afterward as needed.
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Water & Sewer Services: A Core Function of the City

With the MWRA, we provide:

Public Health

- Award-winning, clean water to your home or business

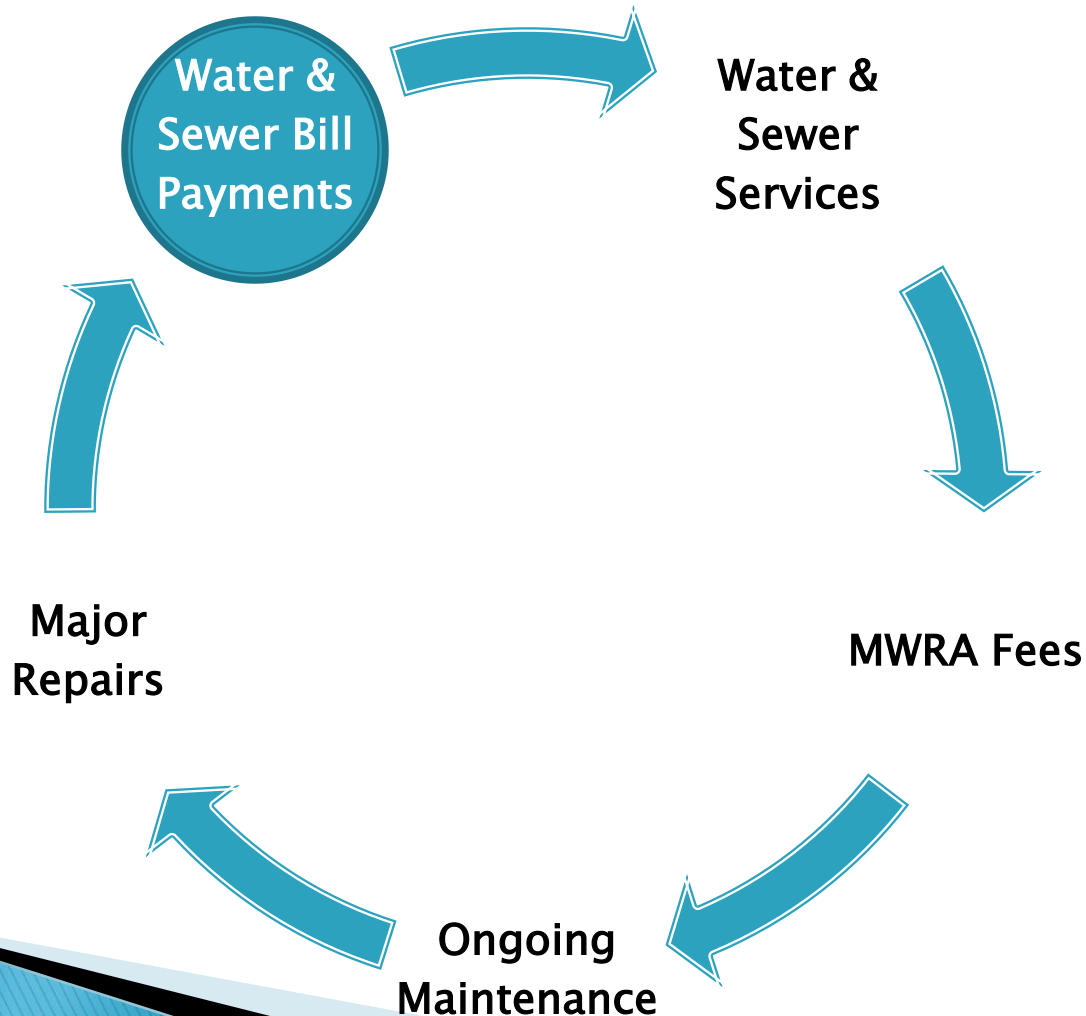
Public Safety

- Sanitary sewer service for a city of 80,000+

Fire Suppression

- Maintain water pressure for life-saving firefighting

A Separate Enterprise Fund



Water & Sewer revenues fund *only* water and sewer related expenses.

Water & Sewer is not a part of the General City Budget.

Rate Changes for FY2018

Water Usage

No change

Sewer Usage

5% increase

Base Charges

No change

What is driving FY18 rate increase?

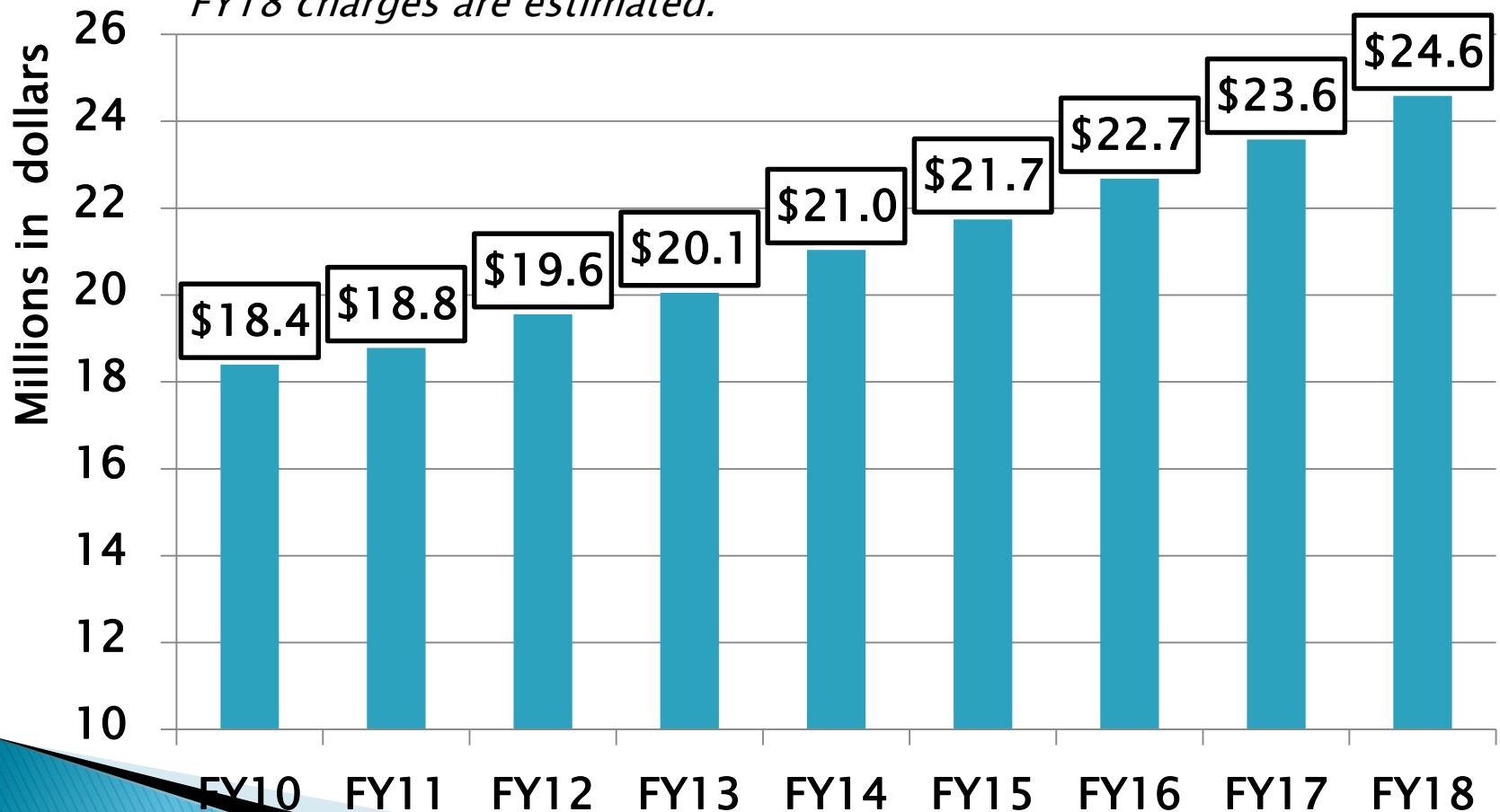
- ▶ Mainly increases in MWRA fees charged to the City
- ▶ Along with increasing repair & maintenance costs



4.2% MWRA Fee Increase
Projected for FY18

MWRA Fees Charged to City are Rising

Combined MWRA Sewer & Water Assessments Over Time
FY18 charges are estimated.



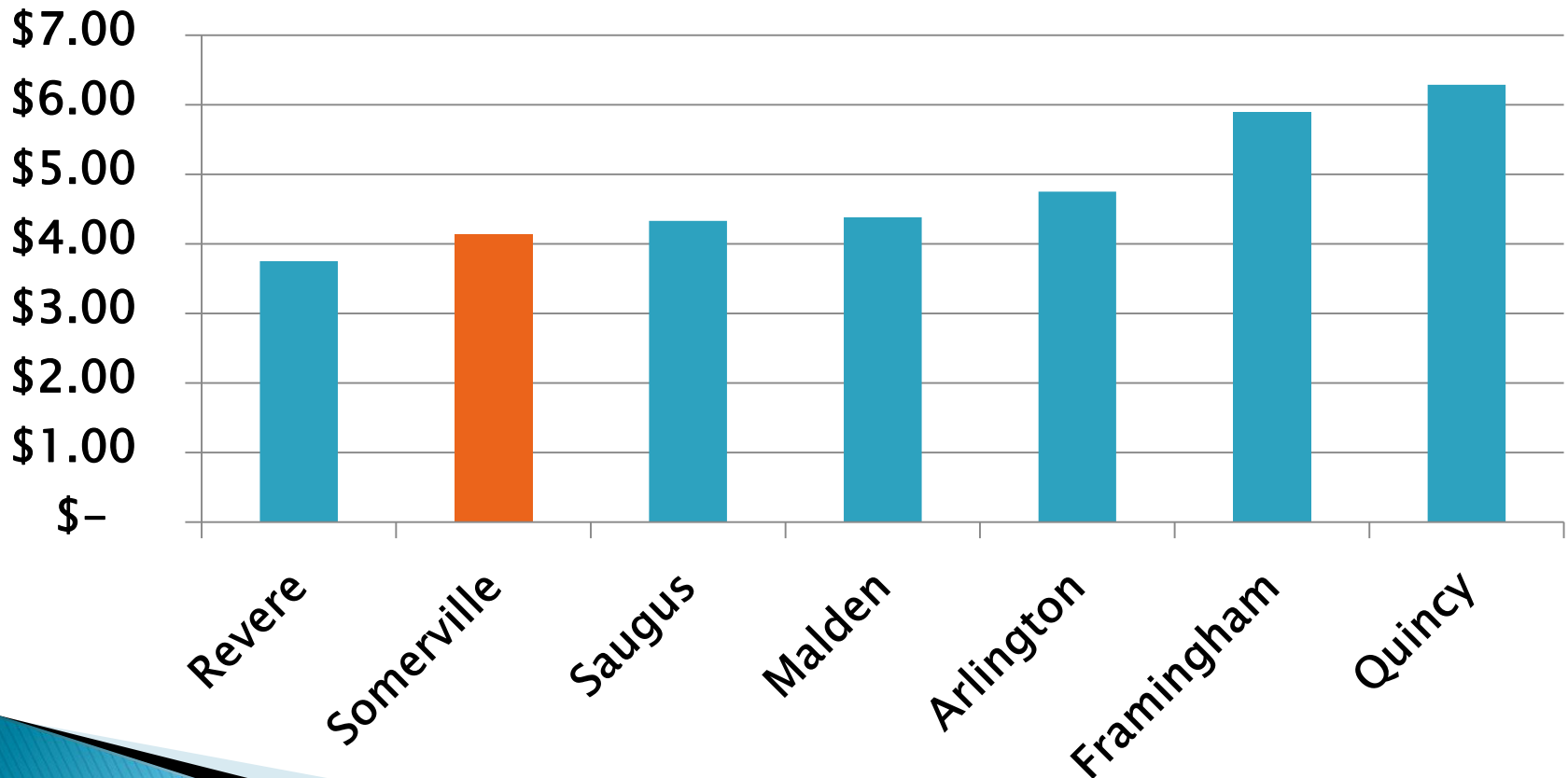
Water and Sewer is a Not-for-Profit Service

- ▶ We charge ONLY what we must to provide you water and sewer service *and* maintain our system.
- ▶ Without sufficient revenue, we cannot
 - Maintain service,
 - Make needed repairs, and
 - Perform critical updates.

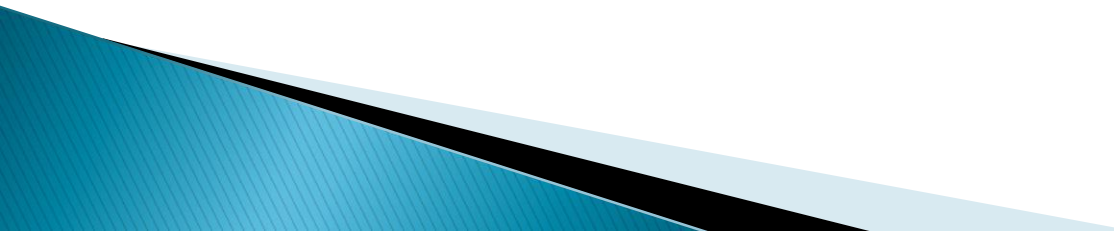
How do our rates compare?

Per Unit Water Usage Rates:

Cost for first 100 cubic feet (748 gallons) of water for MWRA communities with similar service connection characteristics



How does our 5% sewer usage rate increase compare nationally?

- ▶ According to National Association of Clean Water Agencies (NACWA):
 - Projected rate increases for average wastewater utilities through 2019 is between 4.5% and 5.1% annually.
 - It is expected that water rates nationally will follow a similar pattern.
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Discount for Low-Income Seniors

- ▶ Enacted fall 2016
- ▶ Those eligible will receive the first of two letters in late May. The first letter will detail the program.
- ▶ As soon as FY17 closes, exemption amounts will be calculated for each account retroactive to July 1, 2016.
- ▶ Once calculated the City will send the second letter notifying the eligible resident of the amount that will be credited to their account.

Eligibility Requirements for Low-Income Senior Discount

- ▶ Eligibility limits are the same as for 17D and 41C property tax exemptions*, which adjust upward each year

- Own & occupy property 5 years
- No income limit
- Asset limit:
\$58,435

70 or older

17D

- Own / Occupy 5 years in MA & MA resident 10 years
- Income limits
 - (S)\$20,446, (M)\$30,669
- Asset limits:
 - (S)\$40,892, (M)\$56,227

65 or older

41C

*Income and asset limits are shown for FY17. Eligibility levels are slightly higher for FY18.

An Aging System

- ▶ 70% of our water and sewer system is more than 100 years old.
- ▶ Mains typically last 50 years.
- ▶ Water & sewer main breaks are increasing.



This is Tuberculated Water Main

- ▶ Tuberculation is when mineral deposits build up inside the water main and the diameter is reduced.
- ▶ The result is water volume is negatively impacted as well as fire prevention flows.



If it Breaks, the City Has to Fix It

The City Owns & Maintains

125 miles
of water
mains

128 miles
of sewer
mains

29,462
water &
sewer
connections

4,000+
manholes

Proactive is Better than Reactive

**Emergency repairs
cause more
damage and loss
to homes &
businesses, and
they cost more
than preventive
repairs and
updates.**

- ▶ We are moving from reactive to proactive: addressing needs now rather than reacting to crises.
- ▶ This will save us more money in the long term.
- ▶ We are doing more than previous administrations. It would be irresponsible not to.

Public Hearing

- ▶ Public testimony at Public Hearing
7 p.m. Monday, May 15, 2017.
- ▶ Open for written comment through
5 p.m. Monday, May 22, 2017.
- ▶ Please send written comments to Director of
Water and Sewer John Deluca at
waterand_sewer@somervillema.gov.

Thank you